



# ASRS REPORT

## ARIZONA STATE RETIREMENT SYSTEM

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May 23, 2008

This report provides a briefing of news and notices important to our members, retirees and employer partners, as well as other interested parties. It is produced by the ASRS on a periodic basis and posted to the ASRS website. If you would like to receive an email notice when the next issue is posted, and you are not already on our email list, please contact us at [weeklyreport@azasrs.gov](mailto:weeklyreport@azasrs.gov), and provide your name, email address, telephone number and title and organization, if applicable.

## Member News

### Contribution Rate to be lowered effective July 1

The Arizona State Retirement System will implement a slight decrease in contribution rates for the first time in five years beginning July 1. The new contribution rate for the defined benefit plan, health insurance benefit and long term disability plan for both the member and employer will be 9.45 percent for the 2008-09 fiscal year, down from the current rate of 9.6 percent. The slight reduction was made based upon actuarial analysis done each year in an effort to keep the contribution rate fair and equitable and the plan on solid fiscal ground.

	2007-08 Contribution Rate (Effective through June 30, 2008)		
	Combined Retirement Pension & Health Insurance Premium Benefit	Long Term Disability Income Plan	Total
Employee	9.1%	0.50%	9.6%
Employer	9.1%	0.50%	9.6%
	2008-09 Contribution Rate (Effective July 1, 2008)		
	Combined Retirement Pension & Health Insurance Premium Benefit	Long Term Disability Income Plan	Total
Employee	8.95%	0.50%	9.45%
Employer	8.95%	0.50%	9.45%

## **Legislative News**

With the 48<sup>th</sup> Legislature-Second Regular Session coming to a close, the Arizona State Retirement System is highlighting retirement-related legislation that is under consideration in our ASRS Bill Tracker posted to our website.

There are several bills that may have a direct impact on ASRS membership, plus a number of additional bills that affect retirement issues. You may see a summary of the bills and track their progress through the legislative process in the ASRS Bill Tracker. We will update this document each week and make it available for viewing on our website, [www.azasrs.gov](http://www.azasrs.gov). Once the legislature closes this session, we will highlight bills that have passed.

### **New law affects retirement options**

An amendment to Arizona State Statutes governing optional forms of retirement passed in 2006 will take effect July 1, 2008. Under the new law, members who retire on or after July 1, 2008 will have a one-time opportunity to rescind the joint-and-survivor or period-certain annuity option and change to a straight-life annuity option if the originally-named annuitant dies, ceases to be a contingent annuitant under terms of a divorce, or automatically at the end of the selected period-certain term.

The practice of “popping up” and “popping down” between annuity options allowed members to receive a higher benefit through the straight-life annuity, and then extend benefits to a beneficiary at any time by “popping down.” The unrestricted practice causes an unfunded liability to the overall ASRS fund, which had to be paid for through elevated contributions rates by all members.

Members who retire on or before June 30, 2008 are not affected by the new law. The effective date of the 2006 legislation, now contained in A.R.S. § 38-760, was delayed while the ASRS awaited a review from the Internal Revenue Service.

Members contemplating retirement, and especially those in the process of applying for retirement benefits, are strongly urged to speak with an ASRS Member Services representative prior to filing their final retirement applications.

## **Employer News**

### **Employer Conferences to begin soon!**

The ASRS Employer Relations Department will be hosting its annual Employer Conferences later this summer to assist our employer partners with the information they need to serve their employees and our members.

The conferences will address a broad range of topics important to human resources and payroll staff, including legislative updates to retirement laws.

Invitations and more detailed information, including how to register and the schedule of meetings in Phoenix, Tucson and various locations throughout the state will be mailed to our employer contacts in early June. Information will also be posted to our website and printed in future issues of this newsletter.

## **Member News**

### **Educational meetings offered to inform, assist members**

The Member Services Division of the ASRS conducts educational meetings available to all members. Whether you're newly hired and want to learn about the benefits available to you, or you're ready to retire and want assistance filling out your paperwork and making annuity selections, the ASRS has a meeting for you.

## **Know Your Benefits**

This meeting is especially beneficial to new members. You'll learn about the many benefits of belonging to the Arizona State Retirement System, including a history and overview of the ASRS, how your pension is calculated and how to maximize your future benefit, member responsibilities, disability and survivor benefits, options should you leave ASRS employment, and more. Also covered will be the Service Purchase benefit, in which a member may purchase, under certain circumstances, time they worked under other qualified employer plans.

## **Getting Ready for Retirement**

This meeting is vital for members who are planning to retire within a year. You'll learn about your pension benefit and how it's calculated, options for retiree health insurance and other benefits, return to work options and more. Members who register for this meeting will receive a personal benefit estimate and assistance in filing out the proper paperwork.

Visit our website and click on the "Calendars" section to see a full listing of meetings taking place in Phoenix, Tucson and throughout the state at various locations. Reservations are required and can be made by calling our Member Services Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

## **ASRS Board & Committee Meetings**

### **ASRS Board of Trustees**

July 18, 2008, 8:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 10<sup>th</sup> floor Board Room.

### **Investment Committee**

Wednesday, June 4, 2008, 3:30 p.m. – ASRS Phoenix office, 3300 N. Central Ave., 14<sup>th</sup> floor.

### **External Affairs Committee**

Friday, June 6, 2008, 10 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14<sup>th</sup> floor.

### **Operations Committee**

Thursday, June 26, 2008, 10:30 a.m. - ASRS Phoenix office, 3300 N. Central Ave., 14<sup>th</sup> floor.

*Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of meetings are posted on our website and are available at our Phoenix and Tucson offices.*